

Federal Business Development Bank

more federal contracts for small business sector and establish an aggressive "Buy Canada" program.

Under this motion, we should ensure that the Federal Business Development Bank is a bank that small business can turn to, a bank that is there for small business and not just the large corporate interests in Canada.

• (1720)

[Translation]

Mr. Alfonso Gagliano (Saint-Léonard): I welcome this opportunity, Mr. Speaker, to take part in this very important debate on a motion urging the Government to have a small business development policy and to administer this policy through the Federal Business Development Bank. I want to thank the Hon. Member for giving us this opportunity to have a debate on the subject because since 1984, the Conservative Government promised to review the mandate of the Federal Business Development Bank and give it a new one. Since my speaking time is limited, Mr. Speaker, instead of reading all the questions I have already put to various Ministers of State (Small Business) on this matter, something I really do not have enough time for this afternoon, I would rather spend my 10 minutes on this very important issue.

I just want to make it clear that considering this Government is often accused of having a *laissez-faire* policy, one look at the small business sector would prove that the Government left it to its own devices from the very beginning, and I think the last Budget is a particularly flagrant example, Mr. Speaker.

However, I wanted to talk about the Federal Business Development Bank. We in the Official Opposition took this matter very seriously after the 1984 election, and we discussed the mandate of the Federal Business Development Bank and the services it should offer on a task force that travelled throughout the country. In May 1987, we produced a report that took an in-depth look at this institution, and in three recommendations we suggested what the motion in fact proposes, that the Federal Business Development Bank should be a development centre for small businesses in Canada.

Mr. Speaker, the Federal Business Development Bank currently offers three types of service. First, a loans

service, and at the risk of repeating myself, I think the Hon. Member made it quite clear that these loans are above all directed to medium-sized businesses, because the average individual loan granted by the FBDB is about \$84,000, while the average commercial bank loan under the Small Businesses Loans Act program is between \$20,000 and \$25,000. So actually, medium-sized businesses benefit most from Federal Business Development Bank loans.

The second service offered by the FBDB is their investment service. Mr. Speaker, here again figures show that during fiscal year 1985-86, for example, the FBDB did not put up a lot of money even in those sectors, but in spite of that 30 applications valued at \$12.5 million were approved, an average investment of \$417,000 per application. So as you can see we are not talking about small businesses. With respect to the second service, medium-sized businesses are also the big winners.

The third service, Mr. Speaker, relates to management consultation, information and training. This is the kind of service which small businesses essentially used to get from the FBDB whose original mandate was to help small—and medium-sized businesses.

In the Budget tabled at the end of April the Government saw fit to clip the wings of this service which accounted for \$27 million. The cut-back amounts to \$13 million, so we are looking at a 50 per cent reduction. The Government claims to be the political Party that looks after small businesses, yet it does away with half the services previously offered by the Federal Business Development Bank.

Mr. Speaker, I am as sure as you are that seminars have been held in your riding. As it happens, FBDB officials have organized business seminars with the bank manager, the President of the Chamber of Commerce, and small businessmen. Local merchants would meet with lawyers, accountants, tax and finance experts to learn all about the management of a small business. There was also another program under which experts, retired people, were sent to help people learn bookkeeping and give management advice. This did not cost a lot of money to the Bank. Mr. Speaker, now that these services have been cut down by 50 per cent the Federal Business Development Bank will no longer be able to provide them and the first thing we will know is that the